

**Minutes-DRAFT
NorthernBridges
Board of Directors Meeting
April 4 & 5, 2011
Flat Creek Inn, Hayward**

Board Members Present: Dave Willingham, Terri Stone, Ken Mosentine, Dee Kittleson, Bob Kopisch, Tom Innes, Susan Reinardy, Howard Johnson, Dale Schleeter, Mike Linton, Mike Hamm, David Markert.

Others in Attendance: Board Consultant Don Percy, Dennis Liphart of Pathways to Independence, and New NorthernBridges Staff – Lisa Jensen, Michelle Peterson, September Barebo, Kari Sikorski, Greg Hilgart, Amy Wahl, Sarah Imme, Melinda Grahek

1. Call to Order

Chair Dave Willingham called the meeting to order at 9:03 a.m.

2. Roll Call

All members present with the exception of Jack Sweeney who was absent and excused. Howard Johnson had a morning commitment and arrived at 10:00 am. Chair Willingham introduced the new Washburn County NB Board appointee Steven Sather. Mr. Sather has been on the Washburn County Board for 19 years and is serving his first term as Washburn County Board Chair. He owned two businesses in Minong and sold both in 2002. Mr. Sather resides in Spooner and previously worked with CEO McMahon at Washburn County.

Ken Mosentine moved to accept the appointment of Steven Sather as the new Washburn County appointee. Mike Linton seconded. Motion was carried by voice vote without negative vote.

3. Public Comment

None. New NorthernBridges staff introduced themselves to the Board.

4. Approval of Minutes from March 7, 2011

Tom Innes moved to approve the March 7, 2011 Board meeting minutes. Dee Kittleson seconded. Motion was carried by voice vote without negative vote.

5. Approval of the Order of the Agenda

Agenda approved. Terri Stone recused herself from the closed session.

6. Closed Session on Personnel Matters

Board will consider a motion to convene in closed session pursuant to Wis. Stat. 19.85(1) (c) for the purpose of considering specific personnel matters, to wit: consideration of a report of the findings of the Consumer Directorship Applicant Vetting Committee in regard to the filling of two vacant Consumer Director positions on the Board. Action on the formal appointment and seating of two new Consumer Directors to fill two vacancies will occur at the Tuesday morning Board session.

Bob Kopisch moved to convene in closed session. Dave Markert seconded. Motion was carried by roll call vote with all ayes.

7. Motion to Return to Open Session and Act On Any Closed Session Items

Ken Mosentine moved to return to open session and act on any closed session items. Mike Linton seconded. Motion was carried by voice vote without negative vote.

8. Appointment and Seating of New Consumer Directorship Appointees, to follow immediately after the Call to Order and Roll Call on Tuesday morning at 9:00 am

Ken Mosentine moved to accept the Report of the Consumer Directorship Vetting Committee, that Beth Meyers and Joe Wolf be appointed and assigned by drawing lots to fill the remaining terms of former directors Jeff Kieffer and Mark Novotny, and that any of the four unselected applicants who participated in this current vetting process may, by written request to the Board Chair, opt to be considered along side any similarly-vetted new applicants for the two upcoming May 31, 2011 Consumer Directorship appointments. David Markert seconded. Motion was carried by voice vote without negative vote.

9. Determination of the Terms of the Two Newly Appointed Consumer Directors to Fill the Unexpired Portion of the Vacant Terms by Drawing Lots

Joe Wolf drew and will serve the term expiring on May 31, 2013 and Beth Meyers will serve the term expiring on May 31, 2014.

10. Executive Committee Report

The Executive Committee met on 3.25.11 at NB headquarters. All members were present and the committee was joined by phone by Board Consultant Don Percy. The minutes of that meeting will be posted within the next day or two. The EC approved the 2.25.11 EC meeting minutes and reviewed and discussed the March Board meeting with attention to the excellent presentation on Self Directed Supports. Chair Willingham included a copy of the SDS presentation with the materials that he submitted to the Secretary and Deputy Secretary at the Town hall meeting in Eau Claire on 3.30.11. The SDS program seems to be a major feature of some of the information coming out of DHS recently. The EC planned for the board member terms that will be expiring on 5.31.11. Barron and Iron County terms expire and letters to the Chairs of both counties were sent out on Friday, 4.1.11 for them to be aware that these appointments are due and we will be expecting to hear from those Board Chairs in April or May. The county appointment for Washburn County is for the remainder of Don Quinton's term ending May 31, 2011 and the new 4 year term starting on June 1, 2011. Consumer Director Terri Stone's term also expires on 5.31.11 and this will be included with the recruiting ad along with the remaining one year term of resigned Consumer Director Sue Zieke. There was discussion on the Consumer Director Vetting Committee process and final report. The committee also discussed the pre planning process for the annual meeting in June including a presentation of the annual audit. This year's annual meeting will include an election of Officers for Chair, Vice Chair and Secretary. Chair Willingham asked that anyone who wishes to self identify themselves with interest in any of these offices to make their interest known to Colleen Dressen via letter, email or in person. We will also take nominations from the floor at the time of the annual meeting. There was a lengthy conversation on the budget bill and the implications for NorthernBridges, and a brief discussion about the Town Hall listening sessions. Dave Willingham attended the Eau Claire session on 3.30.11 with a written presentation which is posted on Sharepoint on the Board of Directors page. There will be a board discussion about the Town Hall meeting later on during the Board meeting today. Don Percy has the Executive Committee Assessment tentatively scheduled for next month. Vice Chair Dale Schleeter suggested having a calendar on Sharepoint that lists the meeting dates for the Board, Executive Committee, Policy Monitoring Committees and the Strategic Leadership Workgroup. Colleen has set this up on the Board of Directors page in Sharepoint on the Quick Launch Bar named "Calendar for Board, EC, PMC & SLWG" and this will be updated on a regular basis. Chair Willingham noted that we will be conducting orientation for new Board members. The next EC meeting is scheduled for Thursday, 4.21.11, 10:30 am at NB headquarters.

11. Strategic Leadership Workgroup Update

Members of the workgroup are Sue Reinardy (Chair) Terri Stone, Howard Johnson, Jack Sweeney, Dale Schleeter and John McMahon. The workgroup has met twice with a brainstorming session on the first meeting and have identified 22 issues in 3 categories – Critical Issues, Choices and Challenges along with a "Parking Lot".

Critical Issues:

1. Identify cost savings and cost increase alternatives

2. Enrollment caps and/or decreasing enrollments
3. Anticipate member patient safety issues
4. IRIS as a competitor with NB
5. With Medicaid funding cutbacks at the state and national level, how will we cope, what leeway on service range and scope reductions do we have under DHS contract and federal requirements?

Choices:

6. Increase MCO market share...expand market offerings to attract private payers
7. Define “financial stability” as it applies to NB
8. Continuous improvement of board governance (term limits, self evaluation)
9. Ground rules for board activities (use of “parking lot” option for some issues, no wordsmithing)
10. Place caps on wants (wheel chair top of the line quality) and needs (lower priced of adequate quality)
11. Criteria for choosing between Purchase of Service or Provider of Service (in source or outsource roles)
12. How to recruit and retain best and brightest staff
13. Promote preventative care, reduce accidents and Rx misuse
14. When/whether to involve MCO employees on board level matters, through but not around the CEO

Challenges:

15. Future competition from another LTC MCO
16. Partner with ADRC’s...integrate pre-involvement of pre-ADRC families
17. Future competition from national Medicaid insurance claims
18. Re: state fiscal crises: join with other public MCO’s to lobby for particular legislation
19. Member recruitment/retainment
20. Addition or subtraction of counties from district

Parking Lot:

21. Deal with the 37th month issue before it occurs
22. Loss of providers

Don Percy added that the SLWG is designed to identify the board’s role and is a way to exercise and grow strategic leadership of the board. New board members are encouraged to attend the PMC and SLWG meetings.

12. CEO Report

- **Financial Statement Report**

CFO Jason Kohl reviewed the 2.28.11 financial statements.

Income Statement:

Revenue: (Reduction)/Increase:

- 42 enrollments and 33 disenrollments in February
- Received partial months payment for 54 members - \$81k
- Cost Share Revenue – 278 members in the amount of \$80k
- Received Non-NH Level of Care Capitation for 55 members - \$39k
- 67 fewer members than budgeted – (\$202k)

Operating Expenses:

- 2010 IBNR - \$7.052M
- February service costs estimated at \$4.871M
- 2009 Service expenses paid through February of \$16.7k
- 2010 Service expenses paid through February of \$5.497M
- 2011 Service expenses paid through February of \$4.496M
- Fewer CM FTE’s than budgeted in February

- **Staffing Update**
The board reviewed the 3.31.11 NB Staffing Update. We have hired a RN Care Manager for the Care Management Resource Center and Janna Duffy has transitioned from Central Regional Manager to Finance Manager.
- **Membership**
1,945 members as of 4.1.11 and 717 people have been taken off of the wait list.
- **2011 Operation Plan**
COO Rita Mueller distributed an Update on the 2011 Operational Plan and Performance Expectations and reported the activity and progress made since the initial Operational Plan Overview was given to the Board in February.
- **Budget Repair Bill & Budget Bill Update**
Annual Quality Review is conducted by MetaStar and it involves the electronic review of 32 member records. MetaStar will be on site to conduct interviews of Care Management teams, the Quality staff, Provider Network staff and Member Rights Specialists. There will be an exit interview to get the preliminary results from the survey and they will draft a final report.

Budget Repair Bill – Wisconsin Act 10 – Dane County judge has extended the restraining order/injunction until a hearing on May 23, 2011. The provisions are on hold until then. Tomorrow they expect passage of a bill that's been agreed to by both Democrats and Republicans to solve the budget deficit for the remainder of this year – restructuring the debt & putting dollars into Medicaid. The budget bill is going through its process. There is a hearing this week with the Aging & Long Term Care Committee and Deputy Secretary Kitty Rhoades will be presenting on Family Care. The Wisconsin Family Care Association (WFCA) will have people attending the meeting. We did meet with the Secretary in March and each of the MCO's provided summary information on their history, staff, costs effectiveness of the program and we will be submitting to the department our own ideas of cost efficiencies. We will develop some speaking points to share with DHS and we will approach it more from a strength based view. CEO McMahon has asked the other MCOs about what their boards are doing. Lakeland Family Care District is taking an interest. Disability Rights has concerns with the enrollment cap of Family Care. The WFCA talks weekly. The Joint Finance Committee is having public hearings and there is one on Friday in Minong at the Northwoods High School and John plans on attending. We did get feedback from DHS on our 2010 Performance Expectations and we have met all of our 2010 Performance Expectations. John will put together a response to them from their input to us. DHS feels we've done a lot of good work.

Chair Willingham attended the Town Hall Meeting in Eau Claire on March 30th and he commented that some of the strongest criticism came from Rehabilitation For Wisconsin (RFW). They have a huge membership and they are probably the strongest organization in the state as far as representing providers. The other groups that were very vocal were nursing homes who talked about the rate setting methodologies. RFW wants the state to limit administrative and Care Management administrative budgets of MCOs. They talk a lot about duplication of service and question why MCOs have RN's and Behavioral Health Specialists. Our RN Care Managers do not provide the same services as the RN staff with providers. They say we are top heavy with administration. We need to have a broad based discussion as the hearings are coming up very quickly. The majority of the attendees were from the major providers, only two or three county board members and only one other MCO board member. RFW is defining Care Management costs as administrative costs but they are service costs. They are also advocating eliminating RNs from the program all together. John McMahon reminded the board that the Wisconsin Family Care Association does work with Michael Blumenfeld who is their public affairs

counselor. Howard Johnson stated that possibly the worst thing we can do is respond to all of the misunderstandings that are out there. Dave Willingham stated there are subtle ways we can make our counter points without looking defensive. Bob Kopisch informed the Board that Human Services Day at the state Capitol is this Wednesday at 9:00 in Madison. Bob then read the items on that agenda, one of which is to oppose the enrollment cap proposed in the budget. The counties are being encouraged to participate at the Human Services Day. Chair Willingham commented that one of the talking points we need to be out there with is explaining to people how the Family Care model differs from what they are used to – assessing member outcomes and putting together member centered plans. John will put together a compendium of the listening sessions and meetings for the board.

Meeting was recessed at 2:44 p.m. to allow for the Strategic Leadership Workgroup meeting.

April 5th, 2011 CONTINUATION OF THE BOARD MEETING

Chair Dave Willingham called the 2nd day of the meeting to order at 9:08 a.m.

All members present with the exception of Jack Sweeney and Dee Kittleson who were absent and excused.

CEO Report (continued)

- **2010 Audit**

CEO McMahon informed the Board that the audit is moving along and he received the preliminary financial statements this morning. One remaining issue is to settle in on the IBNR number for 2010. We expect to have the audit completed by the end of April. CFO Jason Kohl and John will be doing the MD&A this coming week and the audit will be presented at the May Board meeting by Clifton Gunderson. Decision was made to have the FMPMC meet with Clifton Gunderson at 12:00 noon on Monday of the May Board meeting to review the audit, Clifton Gunderson will present to the Board that afternoon, and the audit could be approved on Tuesday.

13. MRPMC & SLWG Reports

Member Relations Policy Monitoring Committee Chair Mike Hamm updated the board that the committee is short on members due to two resignations and asked the Chair to appoint two new consumer directors to the MRPMC. COO Rita Mueller gave an update of the 3.1.11 Member Advisory Council (MAC) meeting. The MRPMC would like to meet with the MAC this fall; preferably in conjunction with a MAC meeting. The committee also discussed the budget bill and the need for getting the success stories to the counties and the legislature. Chair Mike Hamm suggested also sending the information to their homes. There was discussion around the possibility of a Member intranet page and the committee will ask the MAC if they feel there is a need for members to have a page and if so, what information they would want on that page. This is not a priority but something we would like to start looking at. Next MRPMC meeting is Tuesday, 7.5.11.

Strategic Leadership Workgroup Chair Sue Reinardy updated the board on the 4.4.11 meeting. The workgroup discussed the testimony at the Town Hall meetings that were attended by Board members. There are a number of upcoming hearings and listening sessions by the Joint Committee on Finance and other Legislators. The workgroup members' conclusion was that it is important for Northern Bridges to be present at these meetings and provide testimony. They also discussed the roles and communication strategies for the Board and Management on the 2011-13 Budget Bill. The consensus reached was that this process will be managed by the CEO with participation by the Chair or Executive Committee. There was also consensus that the most important message is to continue to eliminate the wait list—something the enrollment cap will jeopardize for the next two years. Management is now developing scenarios in response to the Budget Bill. The current proposal cuts funding for Family Care that was included in the base re-estimates. The net result is that Family Care funding will remain at the same funding level as June 30, 2011 enrollment by county. The workgroup did not get to other strategic issues and plans another meeting to return to the rest of the list.

John McMahon commented that DHS will state that family care is fully funded, but this is only for operational costs, not the solvency requirements, which is a contractual requirement. Even with the cap, if we lose more members that will affect our ability to make ends meet. John also stated that the current cap methodology tends to over pay low acuity and under pay high acuity. At a certain point the linear relationship between costs and acuity doesn't apply. Conversation continued around eliminating the wait list and the future enrollment cap should be our focus.

CEO McMahon reviewed his talking points put together for the listening sessions which states that we oppose the enrollment cap and would like to see expansion being allowed to continue. John asked the board to notify him if they had any additions or edits to the talking points sheet. Howard Johnson commented that wherever possible we should put numbers in. Dale Schleeter commented that this is not a hand out, but to use the information to tailor comments to whatever group we're speaking to.

14. Public Comments

None.

15. Correspondence

None.

16. Meeting Review & Discussion

Mike Linton and Mike Hamm were this month's monitors.

Mike Hamm rated all characteristics satisfactory with the exception of #7 "maintained clear distinction between board role and staff role" with regard to the discussion dealing with the budget issue we may have crossed over a little to the CEOs role vs. the Board's role. During the financial statement report we went a bit off topic when the discussion was diverted to IRIS and the topic of choice and why people leave IRIS. We should put the IRIS conversation on the agenda. The SLWG report was very good and Dale Schleeter bringing us back to the wait list was good. John's Talking Points are good ammunition for when questions arise.

Mike Linton gave all characteristics satisfactory. He commented that the meetings are always good, but also seem to improve as we move forward and we get more focused as we go along. We are more professional than many boards and we stick to our vision, mission and values. We are a caring board and the members seem very comfortable working and interacting with each other.

Bob Kopisch & Howard Johnson volunteered to be the May Board meeting monitors.

17. May Board Meeting Dates & Agenda Items

May 2 & 3, 2011. Mike Hamm requested to put on the agenda the topic of words and how they affect our conversations – right vs. entitlement, members vs. clients, etc.. This will be brought up at the Executive Committee meeting.

18. Adjourn

Tom Innes moved to adjourn the meeting at 11:00 a.m. Dave Markert seconded. Motion was carried by voice vote without negative vote.

Recorder,

Colleen Dressen